

M e m o r a n d u m

To: Panel Members Date: August 27, 2004

From: Creighton Chan, Manager Analyst: A. Emerson

Subject: PROPOSED AMENDMENT TWO FOR LEADERSHIP, TRAINING AND EDUCATION FUND

CONTRACTOR:

- Multiple Employer: Employer Consortium
- Training Project Profile: SET-Workers With Multiple Barriers to Employment
- Legislative Priorities: Displaced/Potentially Displaced Workers
Developed Jointly By Management And Labor
- Type of Industry: Services (Janitorial)
- Repeat Contractor: No
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union
Representing ETP Trainees: Service Employees International Union (SEIU)
AFL-CIO, CLC, Local 1877

CONTRACT:

- Program Costs:
 - Present Program Costs:** \$186,550
 - Amendment Program Costs +:** \$280,150
 - Total Program Costs:** \$466,700
- Multiple Employer Support:
 - Present Contract Support (8 %):** \$12,915
 - Amendment Support (8 %):** \$19,395
 - Total Support:** \$32,310
- Substantial Contribution:
 - Present Contract Contribution:** \$0

Amendment Contribution +:		\$0
Total Contributions:		\$0
• Total ETP Funding:		\$499,010
• In-kind Contribution:		\$530,991
➤ <i>Trainee Wages Paid During Training</i>		
Present Contract:		\$192,321
Amendment:		\$288,770
➤ <i>Other Contributions:</i>		
Present Contract:		\$29,900
Amendment:		\$20,000
➤ <i>Total Contribution</i>		
Present Contract:		\$222,221
Amendment:		\$308,770
➤ <i>Maximum Contractor Charge To Participating Employers</i>		
Present Contract:		\$0
Amendment:		\$0
• Reimbursement Method:		Fixed-Fee
• County(ies) Served:		San Francisco, Alameda, Contra Costa, Santa Clara

INTRODUCTION:

Based in Oakland, California, the Leadership Training and Education Fund (LTEF) is a three-year-old, non-profit partnership between janitorial companies and SEIU (Service Employees International Union AFL-CIO, CLC), Local 1877, which provides training to unionized janitors working in the San Francisco Bay Area. Elected in 2000, LTEF's board of trustees is comprised of members from both groups whose purpose is to promote, organize, schedule, develop and staff classes; and research funding sources for potential training programs.

In November 2003 the Panel approved an Agreement to provide 50 hours of classroom/laboratory cross-training in various skills for 287 janitors and lead janitors. Participating trainees are all members of Local 1877 janitorial staffs who are largely immigrant workers with nominal English skills, minimal literacy skills, restricted job skills and limited work experience. LTEF and the participating employers have a large stake in seeing these workers become more highly skilled and work as self-sufficient team members in a high-performance work setting. This training is imparting skills to these workers including improved problem-solving, computer and customer service skills, thereby keeping the staff securely employed full-time with companies that value employee development and loyalty. This training will also allow

employers to promote some of the workers to higher positions, thereby increasing job compensation and security.

As participating employers have expressed enormous interest in this ETP project, LTEF is requesting to conduct ten more sessions to train 431 more janitors, individuals whose employers have come under increasing pressure to raise standards of excellence, even to the point of requiring pre-employment testing in the English language and various job skills. This Amendment has been reviewed and approved by the participating union to which all trainees belong.

MEETING ETP GOALS AND OBJECTIVES:

The LTEF proposes training that will further the following ETP goals and objectives:

1. All prospective trainees are represented by SEIU, Local 1877, which joined with the participating employers to develop a training plan customized to each employer. This project, thereby, meets ETP's legislative funding priority and ETP's strategic plan objective of funding projects that support joint labor union-employer training ventures.
2. The training is targeted for frontline workers with multiple barriers to employment, thereby meeting ETP's legislative mandate to fund Special Employment Training (SET) projects that will develop the skills of frontline workers who are otherwise disenfranchised by unfavorable socio-economic circumstances.
3. The training will increase the impact of ETP funds on the California economy by making program participants more valuable to their employers who might otherwise hire non-unionized janitors at lower wages.

TRAINING PLAN TABLE: (Phase I)

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 SET Retrainees	Continuous Improvement, Commercial Skills Business Skills Computer Skills Literacy Skills	287	50	0	\$695	*\$11.98- \$12.57
					<u>Prevalent Hourly Wage</u> \$12.51	
					<u>Average Cost Per Trainee</u> \$695	
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits of at least \$2.53 per hour will be applied to the base wage for some trainees' wages in order to meet the ETP minimum hourly wage of \$11.98 per hour for San Francisco, Alameda and Contra Costa Counties.					<u>Turnover Rate</u> 20% or less	<u>% Of Mgrs & Supervisors To Be Trained:</u> 0%
<u>Other Employee Benefits:</u> In addition to health benefits, the union-benefit package includes life insurance benefits.						

TRAINING PLAN TABLE: (Phase II)

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 2 SET Retraitees	Continuous Improvement, Commercial Skills Business Skills Computer Skills Literacy Skills	431	50	0	\$695	*\$11.98- \$12.57
					<u>Prevalent Hourly Wage</u> \$12.51	
					<u>Average Cost Per Trainee</u> \$695	
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits of at least \$2.53 per hour will be applied to the base wage for some trainees' wages in order to meet the ETP minimum hourly wage of \$11.98 per hour for San Francisco, Alameda and Contra Costa Counties.					<u>Turnover Rate</u> 20% or less	<u>% Of Mgrs & Supervisors To Be Trained:</u> 0%
<u>Other Employee Benefits:</u> In addition to health benefits, the union-benefit package includes life insurance benefits.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). None of the lead janitors to be retrained under this project have supervisory responsibilities or authority.

➤ *Compensatory Nature of Training*

Training is mandatory for all trainees and will be conducted on company time.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

PROPOSED ACTION:

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities.

NARRATIVE:

With the exception of one firm, all of the janitorial companies who participate in the LTEF have their headquarters in California. Yet, due to the state's current economic climate, these companies are facing new demands from customers who are both requiring controlled or reduced rates through better staffing and insisting on stronger janitorial teams that provide quicker turnaround times, need less supervision, are able to problem solve and provide better customer service. To meet these basic needs, janitorial employers must retrain employees to work more independently; execute their job tasks more safely and efficiently; understand their work duties better; be able to respond to problems more effectively; and communicate better in English. LTEF reports that unless these unionized firms are able to meet these new marketplace demands, customers concerned with instituting cost-saving measures may turn to non-unionized janitorial companies that offer better rates, including lower employee wages.

At the time this contract was written the Contractor had signed on five janitorial companies interested in releasing employees for enrollment in this program. To best meet the challenge of implementing the training plan, LTEF decided to pilot the project with the largest firm, ABLE Building, in order to establish trust in the program, develop best practices, and secure the specific benefits of training. By the end of May 2004, 75 janitors had finished the course of study to the complete satisfaction of the employer and its clients who needed more knowledgeable and better English-speaking staff.

Since that time, the remaining four participating employers have expressed enormous interest in this ETP project; in fact, with 12 classes completed, averaging 20 trainees each, the Contractor now must turn away interested businesses which have committed to filling 28 more classes.

NARRATIVE: (continued)

Project statistics bear out the Contractor's case for requesting additional ETP funds. Less than seven months into training, LTEF has enrolled 81 percent of the 287 trainees and graduated 34 percent, now in their 90-day retention period. By the time of the August 2004 Panel meeting, the Contractor projects this latter figure to rise to 48 percent.

It is staff's opinion that this Amendment supports the original intent of this retraining to assist individuals with multiple barriers to secure employment to better their chances of long-term job retention and career advancement to eventually supervising the very teams to which they currently belong.

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET04-0519	\$199,465	12/3/03-12/02/05	287	232	98*	0

*By the time of the August 2004 Panel meeting, the Contractor projects this latter figure to rise to 138 trainees.

Leadership Training and Education Fund

CURRICULUM

Trainees will receive one or more of the following types of training, for a total of 50 classroom/lab hours per program participant:

A. LITERACY (Not to exceed **100%** of the number of vocational skills hours)

VESL:

Communicating with customers in the buildings
Communicating with co-workers, supervisors and managers
Using job specific word usage and phrases
Filling out work documents
Understanding verbal directions and instructions
Reading workplace documents

Basic Math:

Using fractions and numbering systems
Understanding basic algebraic equations

B. CONTINUOUS IMPROVEMENT

Improving Career Potential:

Understanding contracts, procedures and forms
Giving and receiving feedback
Cultivating better interpersonal relationships while at work
Exhibiting leadership skills
Developing better decision-making skills

Process Improvement:

Recognizing roles and responsibilities of team members
Assisting customers as a team
Understanding and recognizing change
Identifying and applying job standards established for offices
and common areas
Developing quality measurements
Applying team problem solving processes
Building team trust

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Leadership, Education and Training Fund

CCG No.: ET04-0519

Reference No: 04-0087

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Company: Able Building Maintenance Company

Address: 868 Folsom Street

City, State, Zip: San Francisco, CA 94107

Contact Person/Title: Howard Fish

Telephone No.: (415) 981-8070

Collective Bargaining Agreement(s): SEIU 1877

Estimated # of employees to be retrained or hired under this Agreement: 119

Total # of full-time company employees worldwide: 2,000

Total # of full-time company employees in California: 2,000

Company: ABM Janitorial Services

Address: 12953 Alcosta Boulevard

City, State, Zip: San Ramon, CA 94583

Contact Person/Title: Gregory DuPuis/Branch Manager

Telephone No.: (915) 866-1211 or (925) 866-6746

Collective Bargaining Agreement(s): SEIU 1877

Estimated # of employees to be retrained or hired under this Agreement: 68

Total # of full-time company employees worldwide: 65,000

Total # of full-time company employees in California: 7,050

Company: ACME Building Maintenance

Address: 941 Catherine St., P.O. Box 158

City, State, Zip: Alviso, CA 95002

Contact Person/Title: Solomon Wong/Chief Financial Officer

Telephone No.: (408) 263-5911

Collective Bargaining Agreement(s): SEIU 1877

Estimated # of employees to be retrained or hired under this Agreement: 68

Total # of full-time company employees worldwide: 1,200

Total # of full-time company employees in California: 1,200

PRINT OR TYPE

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: Leadership, Education and Training Fund
Reference No: 04-0087

CCG No.: ET04-0519
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Company: Township Building Services, Inc.

Address: 26 Pamaron Way, Suite A

City, State, Zip: Novato, CA 94949-6263

Contact Person/Title: Travis J. Gill/Director of Operations

Telephone No.: (415) 382-8858 ext. 13

Collective Bargaining Agreement(s): SEIU 1877

Estimated #of employees to be retrained or hired under this Agreement: 34

Total # of full-time company employees worldwide: 490

Total # of full-time company employees in California: 490

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained or hired under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained or hired under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:



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SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

July 28, 2004

Employment Training Panel
1100 J Street, 4th Floor
Sacramento, CA 95814

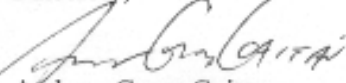
Dear ETP Panel Members:

SEIU Local 1877 fully supports the ETP amendment being submitted by the Leadership Training and Education Fund (LTEF). Since the beginning of this ETP project, we have been part of the planning of this training project with the LTEF. We have participated in the meetings required by our joint efforts to understand and create a training program that works for Local 1877 members. We continue to meet with Alison Webber from the LTEF regarding the ETP training schedule, the training curriculum and the recruitment plan for our members. Below is a list of the employers that have or will participate in the ETP-funded program:

1. ABLE Building Maintenance Co.
2. ABM Janitorial Services
3. ACME Building Maintenance
4. Pacific Maintenance
5. Township Building Services, Inc.

The above companies are committed for up to 40 more classes if funding should allow. I fully support the ETP-funded training program and believe that the training has helped Local 1877 employees develop the skills needed to position themselves for secure employment in California. Should you have any other questions, please contact me at 916-563-6900.

Sincerely,


Andrew Gross Gaitan
(title) REGIONAL COORDINATOR
SEIU Local 1877

NO. 11-15 E. 06 107

RECEIVED
JUL 29 2004
FBI